# 2017 -- H 5894

LC002009

# STATE OF RHODE ISLAND

#### IN GENERAL ASSEMBLY

#### **JANUARY SESSION, A.D. 2017**

#### AN ACT

# RELATING TO LABOR AND LABOR RELATIONS -- TEMPORARY DISABILITY INSURANCE

Introduced By: Representatives Maldonado, Winfield, Diaz, Tobon, and Blazejewski

Date Introduced: March 09, 2017

Referred To: House Finance

It is enacted by the General Assembly as follows:

SECTION 1. Section 28-39-2 of the General Laws in Chapter 28-39 entitled "Temporary

Disability Insurance - General Provisions" is hereby amended to read as follows:

#### **28-39-2. Definitions.**

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- The following words and phrases, as used in chapters 39 -- 41 of this title, have the following meanings unless the context clearly requires otherwise:
- 6 (1) "Average weekly wage" means the amount determined by dividing the individual's
  7 total wages earned for services performed in employment within his or her base period by the
  8 number of that individual's credit weeks within the base period;
  - (2) "Base period" with respect to an individual's benefit year when the benefit year begins on or after October 7, 1990, means the first four (4) of the most recently completed five (5) calendar quarters immediately preceding the first day of an individual's benefit year; provided, that for any individual's benefit year when the benefit year begins on or after October 4, 1992, and for any individual deemed monetarily ineligible for benefits under the "base period" as defined in this subdivision, the department shall make a re-determination of entitlement based upon an alternate base period which consists of the last four (4) completed calendar quarters immediately preceding the first day of the claimant's benefit year. Notwithstanding anything contained to the contrary in this subdivision, the base period shall not include any calendar quarter previously used to establish a valid claim for benefits; provided, however, that the "base

period" with respect to members of the United States military service, the Rhode Island National Guard, or a United States military reserve force, and who served in a United States declared combat operation during their military service, who file a claim for benefits following their release from their state or federal active military service and who are deemed to be monetarily ineligible for benefits under this section, shall mean the first four (4) of the most recently completed five (5) calendar quarters immediately preceding the first day the individual was called into that state or federal active military service; provided, that for any individual deemed monetarily ineligible for benefits under the "base period" as defined in this section, the department shall make a re-determination of entitlement based upon an alternative base period which consists of the last four (4) completed calendar quarters immediately preceding the first day the claimant was called into that state or federal active military service. Notwithstanding any provision of this section of the general or public laws to the contrary, the base period shall not include any calendar quarter previously used to establish a valid claim for benefits;

- (3) "Benefit" means the money payable, as provided in chapters 39 -- 41 of this title, to an individual as compensation for his or her unemployment caused by sickness;
- (4) "Benefit credits" means the total amount of money payable to an individual as benefits, as provided in § 28-41-7;
- (5) "Benefit rate" means the money payable to an individual as compensation, as provided in chapters 39 -- 41 of this title, for his or her wage losses with respect to any week during which his or her unemployment is caused by sickness;
- (6) "Benefit year" with respect to any individual who does not already have a benefit year in effect, and who files a valid claim for benefits as of November 16, 1958 or any later date, means fifty-two (52) consecutive calendar weeks, the first of which shall be the week containing the day as of which he or she first files that valid claim in accordance with regulations adopted as subsequently prescribed; provided, that for any benefit year beginning on or after October 7, 1990, the benefit year shall be fifty-three (53) consecutive calendar weeks if the subsequent filing of a new valid claim immediately following the end of a previous benefit year would result in the overlapping of any quarter of the base period of the prior new claim. In no event shall a new benefit year begin prior to the Sunday next following the end of the old benefit year;
- (i) For benefit years that begin on or after July 1, 2012, an individual's benefit year will begin on the Sunday of the calendar week in which an individual first became unemployed due to sickness and for which the individual has filed a valid claim for benefits;
- 33 (7) "Board" means the board of review as created under chapter 19 of title 42;
- 34 (8) "Calendar quarter" has the same definition as contained in chapter 42 of this title;

- 1 (9) "Credit week" means any week within an individual's base period in which that 2 individual earns wages amounting to at least twenty (20) times the minimum hourly wage as 3 defined in chapter 12 of this title, for performing services in employment for one or more 4 employers subject to chapters 39 -- 41 of this title; 5 (10) "Director" means the director of the department of labor and training; (11) "Employee" means any person who is or has been employed by an employer subject 6 7 to chapters 39 -- 41 of this title and in employment subject to those chapters; 8 (12) "Employer" means any employing unit that is an employer under chapters 42 -- 44 9 of this title including the state and all political subdivisions and instrumentalities of one or more 10 political subdivisions; 11 (13) "Employing unit" has the same definition as contained in chapter 42 of this title and 12 includes any governmental entity that elects to become subject to the provisions of chapters 39 --13 41 of this title, in accordance with the provisions of §§ 28-39-3.1 and 28-39-3.2; 14 (14) "Employment" has the same definition as contained in chapter 42 of this title; (15) "Employment office" has the same definition as contained in chapter 42 of this title; 15 16 (16) "Fund" means the Rhode Island temporary disability insurance fund established by 17 this chapter; 18 (17) "Partial unemployment due to sickness" For weeks beginning on or after January 1, 19 2006 an individual shall be deemed partially unemployed due to sickness in any week of less than 20 full-time work if he or she fails to earn in wages for services for that week an amount equal to the 21 weekly benefit rate for total unemployment due to sickness to which he or she would be entitled 22 if totally unemployed due to sickness and eligible. 23 (i) For the purposes of this subdivision and subdivision (22) of this section, "Wages" 24 includes only that part of remuneration for any work, which is in excess of one-fifth (1/5) of the 25 weekly benefit rate for total unemployment, rounded to the next lower multiple of one dollar (\$1.00), to which the individual would be entitled if totally unemployed and eligible in any one 26 week, and "services" includes only that part of any work for which remuneration in excess of 27 28 one-fifth (1/5) of the weekly benefit rate for total unemployment, rounded to the next lower 29 multiple of one dollar (\$1.00), to which the individual would be entitled if totally unemployed 30 and eligible in any one week is payable; provided, that nothing contained in this paragraph shall 31 permit any individual to whom remuneration is payable for any work performed in any week in 32 an amount equal to, or greater than, his or her weekly benefit rate to receive benefits under this 33 subdivision for that week.
  - (18) "Reserve fund" means the temporary disability insurance reserve fund established by

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- (19) "Services" means all endeavors undertaken by an individual that are paid for by another or with respect to which the individual performing the services expects to receive wages or profits;
- (20) "Sickness". An individual shall be deemed to be sick in any week in which, because of his or her physical or mental condition, including pregnancy, he or she is unemployed and unable to perform his or her regular or customary work or services;
- 8 (21) (i) "Taxes" means the money payments required by chapters 39 -- 41 of this title, to
  9 be made to the temporary disability insurance fund or to the temporary disability insurance
  10 reserve fund.
  - (ii) Wherever and whenever in chapters 39 -- 41 of this title, the words "contribution" and/or "contributions" appear, those words shall be construed to mean the "taxes," as defined in this subdivision, which are the money payments required by those chapters to be made to the temporary disability insurance fund or to the temporary disability insurance reserve fund;
  - (22) "Wages" has the same definition as contained in chapter 42 of this title; provided, that no individual shall be denied benefits under chapters 39 -- 41 of this title because his or her employer continues to pay to that individual his or her regular wages, or parts of them, while he or she is unemployed due to sickness and unable to perform his or her regular or customary work or services. The amount of any payments, whether or not under a plan or system, made to or on behalf of an employee by his or her employer after the expiration of six (6) calendar months following the last calendar month in which the employee performed actual bona fide personal services for his or her employer, shall not be deemed to be wages either for the purpose of paying contributions thereon under chapter 40 of this title, or for the purpose of being used as a basis for paying benefits under chapter 41 of this title; and
- 25 (23) "Week" has the same definition as contained in chapter 42 of this title.
- SECTION 2. Section 28-40-1 of the General Laws in Chapter 28-40 entitled "Temporary
  Disability Insurance Contributions" is hereby amended to read as follows:

#### 28-40-1. Amount of employee contributions -- Wages on which based.

(a) The taxable wage base under this chapter for each calendar year shall be equal to the greater of thirty eight thousand dollars (\$38,000) or the annual earnings needed by an individual to qualify for the maximum weekly benefit amount and the maximum duration under chapters 39—41 of this title. That taxable wage base shall be computed as follows: Every September 30, the maximum weekly benefit amount in effect as of that date shall be multiplied by thirty (30) and the resultant product shall be divided by thirty six hundredths (.36). If the result thus obtained is

not an even multiple of one hundred dollars (\$100), it shall be rounded upward to the next higher even multiple of one hundred dollars (\$100). That taxable wage base shall be effective for the calendar year beginning on the next January 1.

- (b) Each employee shall contribute with respect to employment after the date upon which the employer becomes subject to chapters 39 -- 41 of this title, an amount equal to the fund cost rate times the wages paid by the employer to the employee per pay period, less an amount equal to eight percent (8%) of the average weekly wage up to the taxable wage base as defined and computed in subsection (a) of this section. The employee contribution rate for the following calendar year shall be determined by computing the fund cost rate on or before November 15 of each year as follows:
- (1) The total amount of disbursements made from the fund for the twelve (12) month period ending on the immediately preceding September 30 shall be divided by the total taxable wages paid by employers during the twelve (12) month period ending on the immediately preceding June 30. The ratio thus obtained shall be multiplied by one hundred (100) and the resultant product if not an exact multiple of one-tenth of one percent (0.1%) shall be rounded down to the next lowest multiple of one-tenth of one percent (0.1%);
- (2) If the fund balance as of the preceding September 30 is less than the total disbursements from the fund for the six (6) month period ending on that September 30, that difference shall be added to the total disbursements for the twelve (12) month period ending September 30 for the purpose of computing the fund cost rate, and if the resulting fund cost rate is not an exact multiple of one-tenth of one percent (0.1%) it shall be rounded to the nearest multiple of one-tenth of one percent (0.1%).
- SECTION 3. Sections 28-41-5, 28-41-7, 28-41-34 and 28-41-35 of the General Laws in Chapter 28-41 entitled "Temporary Disability Insurance Benefits" are hereby amended to read as follows:

## 28-41-5. Weekly benefit rate -- Dependents' allowances.

(a) (1) Benefit rate. The benefit rate payable under this chapter to any eligible individual with respect to any week of his or her unemployment due to sickness, when that week occurs within a benefit year, shall be, for benefit years beginning on or after October 7, 1990 but before January 1, 2018, four and sixty-two hundredths percent (4.62%) of the wages paid to the individual in that calendar quarter of the base period in which the individual's wages were highest; provided, however, that the benefit rate shall not exceed eighty-five percent (85%) of the average weekly wage paid to individuals covered by chapters 42 -- 44 of this title for the preceding calendar year ending December 31. The benefit rate payable under this chapter to any

eligible individual with respect to any week of their unemployment due to sickness, when that week occurs within a benefit year, shall be, for benefit years beginning on or after January 1, 2017, seven and sixty-nine hundredths percent (7.69%) of the wages paid to the individual in that calendar quarter of the base period in which the individual's wages were highest; provided, however, that the benefit rate shall not exceed one hundred percent (100%) of the average weekly wage paid to individuals covered by chapters 42 through 44 of this title for the preceding calendar year ending December 31. If the maximum weekly benefit rate is not an exact multiple of one dollar (\$1.00) then the rate shall be raised to the next higher multiple of one dollar (\$1.00). Those weekly benefit rates shall be effective throughout the benefit years beginning on or after July 1 of the year prior to July of the succeeding calendar year.

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- (2) The benefit rate of any individual, if not an exact multiple of one dollar (\$1.00), shall be raised to the next higher multiple of one dollar (\$1.00).
- (b) Dependents' allowances. An individual to whom benefits for unemployment due to sickness are payable under this chapter with respect to any week, shall, in addition to those benefits, be paid with respect to each week a dependent's allowance of ten dollars (\$10.00) or seven percent (7%), of the individual's benefit rate, payable under subsection (a) of this section, whichever is greater for each of that individual's children, including adopted and stepchildren or that individual's court appointed wards who, at the beginning of the individual's benefit year, is under eighteen (18) years of age and who is at that time in fact dependent on that individual. A dependent's allowance shall also be paid to that individual for any child, including an adopted child or a stepchild or that individual's court appointed ward, eighteen (18) years of age or over, incapable of earning any wages because of mental or physical incapacity, and who is dependent on that individual in fact at the beginning of the individual's benefit year, including individuals who have been appointed the legal guardian of that child by the appropriate court. However, in no instance shall the number of dependents for which an individual may receive dependents' allowances exceed five (5) in total. The weekly total of dependents' allowances payable to any individual, if not an exact multiple of one dollar (\$1.00), shall be rounded to the next lower multiple of one dollar (\$1.00). The number of an individual's dependents, and the fact of their dependency, shall be determined as of the beginning of that individual's benefit year; provided, that only one individual shall be entitled to a dependent's allowance for the same dependent with respect to any week. Each individual who claims a dependent's allowance shall establish his or her claim to it to the satisfaction of the director under procedures established by the director.
- (c) Any individual's benefit rate and/or dependents' allowance in effect for a benefit year shall continue in effect until the end of that benefit year.

(d) Partial unemployment due to sickness. For weeks beginning on or after January 1, 2006, an individual partially unemployed due to sickness and otherwise eligible in any week shall be paid sufficient benefits with respect to that week, so that his or her wages, rounded to the next higher multiple of one dollar (\$1.00), and his or her benefits combined will equal in amount the weekly benefit rate to which he or she would be entitled if totally unemployed due to sickness in that week; provided that an individual must have been totally unemployed due to sickness for at least seven (7) consecutive days prior to claiming partial benefits under this provision; provided, that this provision shall not apply if the individual is entitled to lag day benefits pursuant to § 28-41-9; provided, further, that nothing contained herein shall permit any individual to whom remuneration is payable for any work performed in any week in an amount equal to or greater than his or her weekly benefit rate to receive benefits or waiting period credit for that week.

#### 28-41-7. Total amount of benefits.

The total amount of benefits payable during a benefit year to any eligible individual shall be an amount equal to thirty-six percent (36%) of the individual's total wages for employment by employers subject to chapters 39 -- 41 of this title during his or her base period; provided, that no individual shall be paid total benefits in any benefit year which exceed thirty (30) thirty-two (32) times his or her weekly benefit rate; provided further, that dependents' allowances to which he or she might be entitled under § 28-41-5 shall be in addition to these total benefits. If the total amount of benefits is not an exact multiple of one dollar (\$1.00), then it shall be raised to the next higher multiple of one dollar (\$1.00).

## 28-41-34. Temporary caregiver insurance.

The purpose of this chapter is to establish, within the state temporary disability insurance program, a temporary caregiver insurance program to provide wage replacement benefits in accordance with the provisions of this chapter, to workers who take time off work to care for a seriously ill child, spouse, domestic partner, <u>sibling</u>, parent, parent-in-law, grandparent, <u>grandchild</u>, or to bond with a new child.

Definitions as used in this chapter:

- (1) "Child" means a biological, adopted, or foster son or daughter, a stepson or stepdaughter, a legal ward, a son or daughter of a domestic partner, or a son or daughter of an employee who stands in loco parentis to that child.
- 31 (2) "Newborn child" means a child under one year of age.
- 32 (3) "Adopted child" means a child adopted by, or placed for adoption with, the employee.
  - (4) "Bonding or bond" means to develop a psychological and emotional attachment between a child and his or her parent(s) or persons who stand in loco parentis. This shall involve

1	being in one another's physical presence.
2	(5) "Parent" means a biological, foster, or adoptive parent, a stepparent, a legal guardian,
3	or other person who stands in loco parentis to the employee or the employee's spouse or domestic
4	partner when he/she was a child.
5	(6) "Domestic partner" means a party to a civil union as defined by chapter 15-3.1.
6	(7) "Spouse" means a party in a common law marriage, a party in a marriage conducted
7	and recognized by another state or country, or in a marriage as defined by chapter 15-3.
8	(8) "Grandparent" means a parent of the employee's parent.
9	(9) "Parent-in-law" means the parent of the employee's spouse or domestic partner.
10	(10) "Employee" means any person who is or has been employed by an employer subject
11	to chapters 39 through 41 of this title and in employment subject to those chapters.
12	(11) "Serious health condition" means any illness, injury, impairment, or physical or
13	mental condition that involves inpatient care in a hospital, hospice, residential health care facility,
14	or continued treatment or continuing supervision by a licensed health care provider.
15	(12) "Department" means the department of labor and training.
16	(13) "Persons who stand in loco parentis" means those with day-to-day responsibilities to
17	care for and financially support a child or, in the case of an employee, who had such
18	responsibility for the employee when the employee was a child. A biological or legal relationship
19	shall not be required.
20	(14) "Sibling" means a brother or a sister, whether related through half blood, whole
21	blood or adoption, a foster sibling, or a step-sibling.
22	(15) "Grandchild" means the child of the employee's child.
23	<u>28-41-35. Benefits.</u>
24	(a) Subject to the conditions set forth in this chapter, an employee shall be eligible for
25	temporary caregiver benefits for any week in which he or she is unable to perform his or her
26	regular and customary work because he or she is:
27	(1) Bonding with a newborn child or a child newly placed for adoption or foster care with
28	the employee or domestic partner in accordance with the provisions of subdivision 28-41-
29	36(c)(1); or
30	(2) Caring for a child, a parent, parent-in-law, grandparent, spouse, or domestic partner.
31	sibling, or grandchild, who has a serious health condition, subject to a waiting period in
32	accordance with the provisions of § 28-41-12. Employees may use accrued sick time during
33	eligibility waiting period in accordance with the policy of the individual's employer.
34	(b) Temporary caregiver benefits shall be available only to the employee exercising his or

- her right to leave while covered by the temporary caregiver insurance program. An employee shall file a written intent with their employer, in accordance with rules and regulations promulgated by the department, with a minimum of thirty (30) days notice prior to commencement of the family leave. Failure by the employee to provide the written intent may result in delay or reduction in the claimant's benefits, except in the event the time of the leave is unforeseeable or the time of the leave changes for unforeseeable circumstances.
  - (c) Employees cannot file for both temporary caregiver benefits and temporary disability benefits for the same purpose, concurrently, in accordance with all provisions of this act and chapters 39-41.

- (d) Temporary caregiver benefits may be available to any individual exercising his or her right to leave while covered by the temporary caregiver insurance program, commencing on or after January 1, 2014, which shall not exceed the individual's maximum benefits in accordance with chapters 39-41. The benefits for the temporary caregiver program shall be payable with respect to the first day of leave taken after the waiting period and each subsequent day of leave during that period of family temporary disability leave. Benefits shall be in accordance with the following:
- (1) Beginning January 1, 2014 temporary caregiver benefits shall be limited to a maximum of four (4) weeks in a benefit year;
- 19 (2) Beginning January, 1, 2018, temporary caregiver benefits shall be limited to a
  20 maximum of six (6) weeks in a benefit year;
  - (3) Beginning January 1, 2019, temporary caregiver benefits shall be limited to a maximum of eight (8) weeks in a benefit year.
  - (e) In addition, no individual shall be paid temporary caregiver benefits and temporary disability benefits which together exceed thirty (30) thirty-two (32) times his or her weekly benefit rate in any benefit year.
  - (f) Any employee who exercises his or her right to leave covered by temporary caregiver insurance under this chapter shall, upon the expiration of that leave, be entitled to be restored by the employer to the position held by the employee when the leave commenced, or to a position with equivalent seniority, status, employment benefits, pay, and other terms and conditions of employment including fringe benefits and service credits that the employee had been entitled to at the commencement of leave.
  - (g) During any caregiver leave taken pursuant to this chapter, the employer shall maintain any existing health benefits of the employee in force for the duration of the leave as if the employee had continued in employment continuously from the date he or she commenced the

leave until the date the caregiver benefits terminate; provided, however, that the employee shall continue to pay any employee shares of the cost of health benefits as required prior to the commencement of the caregiver benefits.

(h) No individual shall be entitled to waiting period credit or temporary caregiver benefits under this section for any week beginning prior to January 1, 2014. An employer may require an employee who is entitled to leave under the federal Family and Medical Leave Act, PL 103-3 and/or the Rhode Island Parental and Family Medical Leave Act, 28-41 et seq., who exercises his or her right to benefits under the temporary caregiver insurance program under this chapter, to take any temporary caregiver benefits received, concurrently, with any leave taken pursuant to the federal Family and Medical Leave Act and/or the Rhode Island Parental and Family Medical Leave Act.

(i) Temporary caregiver benefits shall be in accordance with federal Family and Medical Leave Act (FMLA) P.L. 103-3 and Rhode Island Family Parental and Family Leave Act in accordance with § 28-48-1, et seq. An employer may require an employee who is entitled to leave under the federal Family and Medical Leave Act, PL 103-3 and/or the Rhode Island Parental and Family Medical Leave Act, 28-41 et seq., who exercises his or her right to benefits under the temporary caregiver insurance program under this chapter, to take any temporary caregiver benefits received, concurrently, with any leave taken pursuant to the federal Family and Medical Leave Act and/or the Rhode Island Parental and Family Medical Leave Act.

SECTION 4. Sections 28-39-3, 28-39-3.2 and 28-39-32 of the General Laws in Chapter 28-39 entitled "Temporary Disability Insurance - General Provisions" are hereby repealed.

#### 28-39-3. Exemption of governmental entities.

Governmental entities as defined in § 28 42 3(22) shall not be deemed to be employing units subject to chapters 39 — 41 of this title and services performed in the employ of those governmental entities shall not be deemed to be employment subject to those chapters; provided, that certain governmental entities may elect to become subject to chapters 39 — 41 of this title in accordance with §§ 28 39 3.1 and 28 39 3.2. Unionized state employees may elect to become subject to chapters 39 — 41 of this title through the collective bargaining process.

#### 28-39-3.2. Manner of election.

The election shall be made by submitting to the director a duly certified copy of a resolution or act of the legislative body of the political subdivision or subdivisions passed in accordance with their ordinances. Upon receipt of the certified copy of the resolution or act, the director shall specify the date as of which the governmental entity shall become subject to these provisions. Notwithstanding any provisions of chapters 39—41 of this title to the contrary, any

political subdivision or subdivisions in this state may elect in accordance with these provisions
that services performed by individuals for its highway department or department of public works,
including full time highway surveyors, whether or not those surveyors are elected, shall be
deemed to be in employment.

28-39-32. Limitation of prosecutions.
No person shall be convicted of any offense for any violation of chapters 39—41 of this

title or any rule or regulation of the department unless the complaint or warrant for that violation

has been issued within five (5) years from the time of the commission of the offense.

9 SECTION 5. This act shall take effect upon passage.

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# EXPLANATION

# BY THE LEGISLATIVE COUNCIL

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# RELATING TO LABOR AND LABOR RELATIONS -- TEMPORARY DISABILITY INSURANCE

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1	This act would expand temporary disability insurance benefits to state and municipal
2	employees, increase TDI benefits, change the calculation of the taxable wage base, modify the
3	contribution formula and increase the maximum amount of benefit weeks from thirty (30) to
4	thirty-two (32). It also would increase from four (4) to six (6) weeks the length of time employees
5	can receive temporary caregiver insurance benefits and would make employees who care for their
6	siblings or grandchildren eligible for benefits.
7	This act would take effect upon passage.

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